



North Carolina Department of Health and Human Services  
**Division of Budget and Analysis**  
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Michael F. Easley, Governor  
Dempsey Benton, Secretary

James B. Slate, Jr., Director

July 3, 2008

**MEMORANDUM # 2008-10**

TO: Division Directors  
Division Budget Officers

FROM: Jim Slate 

SUBJECT: Certification of the 2008-09 Budget

The purpose of this memorandum is to initiate the budget certification process for SFY 2008-09. It is very important that we begin working on certification now in order to avoid lengthy delays in getting a certified budget when the appropriations bill is finally approved. To that end, I am asking staff in this office and in the divisions to begin compiling budget information necessary to affect the changes in the budgets for 2008-09 as adopted by the current legislative session.

The budget certification process will be divided into two parts.

1. Part 1 – Division budget officers should begin immediately to do the following:
  - Division budget staff should develop line item detail to support items (reductions, expansions, and other appropriations) that are currently in agreement between the House and Senate budget proposals. Although the General Assembly is still in session, experience has shown that areas where they have budget agreement are not revisited/modified by the conferees. Detail worksheets should be submitted electronically to your analyst in this office by **Monday, July 21, 2008**. Earlier submissions are most appreciated. (See attached form to use to submit this information.)
  - Budget certification worksheets for changes between what is currently in your SFY 08-09 Certified Budget (BD-307) compared to the block grant plans that are currently in agreement will also need to be submitted on these worksheets. Analyst in this office will notify you of changes needed in the block grant plans. Detail worksheets should be submitted electronically to your analyst in this office by **Thursday, July 24, 2008**. Earlier submissions are most appreciated.

- Budget and Analysis (B&A) staff will review the worksheets to verify that detail entries reflect legislative intent, agreed upon amounts and position count changes. B&A will review and obtain OSBM concurrence with the amounts and accounts on the detail worksheets. For agencies certifying at a detail level below the fund account, these schedules should be submitted at the fund account level.
  - Part 1 of the process does not include entry of any budget adjustments into the Budget Preparation System (BPS) at this time. BPS entries will be done in Part 2 below.
2. Part 2 – Upon adoption of the final appropriations bill, Division budget staff should begin the certification process for all remaining items. This will include the following:
- Division budget staff will develop line item detail for all remaining items approved by the General Assembly. Detail worksheets for these remaining items should be sent electronically to your analyst in Budget and Analysis by a date to be determined later. (See attached form to use to submit this information.)
  - B&A staff will review the worksheets to verify that detail entries reflect legislative intent, agreed upon amounts and position count changes and confer with OSBM as appropriate and will keep the Division budget officer informed/involved on any modifications.
  - Division budget staff, upon notification from B&A, will enter budget adjustments and position count changes into BPS by reference number. This includes all items on which the Senate and House are currently in agreement (Part 1) and those on which they have yet to reach agreement.
  - As each item # is entered into BPS, edit sheets can be printed and compared to the worksheets by the division, B&A and OSBM. When all parties agree that the detail is accurately entered, a first print of the BD-307 can occur for a second review by all parties. When you and your DHHS analyst concur that the budget as presented on the BD-307 is correct, we will let OSBM know that the budget can be certified.

New positions are to be handled in the following manner:

- New positions must be certified at the salary level requested in the expansion budget process with the same beginning date as recommended, unless amended by the Committee Report for House Bill 2436. For example, if a position was requested at the mid-point of the salary range effective October 1, 2008, then the position must be certified at the mid-point effective October 1, 2008.
- One hundred percent (100%) receipt supported positions established in the Committee Report for House Bill with no FTE increase noted will not be included in the certification process. These receipt supported positions will be established via an 11 type budget revision following certification. This is consistent with prior year's procedures.

Specific directions for completing the attached budget certification worksheet are as follows:

1. Division - Self-explanatory.
2. Budget Code - Self-explanatory.
3. Reduction/Expansion Title - For the "Reduction/Expansion Title", use the description of the item contained in the Joint Conference Report (e.g., "Child Care Subsidies"). For block grant changes, use the title of the block grant (e.g., "TANF Adjustments"). This title will be entered on the description line in BPS when entering the changes to effect certification.
4. The "Reference Number" refers to the number used when entering data into BPS. This number is a six-digit number using the budget revision format (e.g., "xx-xxxx"). This number will be entered into BPS as the reference number for each item.
  - The first two digits denote the year of the legislative session which made the budget adjustment. This year's entries will be "08".
  - The second set of four digits will start with a 1, 2, 3, or 4 denoting the item as a reduction, expansion, block grant adjustment, or other adjustments, respectively.
  - The last three digits for reduction and expansion items will duplicate the actual item number in the conference report (e.g., 08-2XXX). For block grant adjustments the last three digits will represent the numerical order in which the block grant is presented in HB 2436 (e.g., SSBG adjustments will be identified as 08-3002).
  - Other adjustments will only be allowed when this office and OSBM concur that it is an appropriate adjustment to include in the certification process.

If you have questions or comments, please call your analyst in Budget and Analysis. If you are uncertain as to what items are presently in agreement between the House and Senate, your analyst can provide you with a list.

Attachment

Cc: Dan Stewart  
Budget Analysts

Jackie Sheppard  
Jennifer Hoffman

